

Financial risk management using financial engineering instruments

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Abstract

© Medwell Journals, 2016. The study reveals and justifies the management of financial risks using derivative financial instruments. Disclosing the use of derivatives the Russian companies and their gives their comparative characteristics of their use. To minimize the additional cost of paying the loan in foreign currency company may use derivatives exchange market. Also presented the strategy of hedging the cost of raw materials and foreign exchange.

Keywords

Contract, Derivatives, Financial derivatives, Forward, Futures, Hedge, Option, Swap